

# **GST Course for CA Students**

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# WHY DOES INDIA NEED GST???



# Why GST

- The GST will greatly increase the revenues available at the states' and centre's disposal by expanding the tax base.
- the GST will facilitate 'Make in India' by converting the geographical landscape of the country into a single market. Despite being one country, India is a union of 30 or more markets. Too many taxes in the current system like the Central Sales Tax (CST) on inter-state sales of goods; numerous intra-state taxes; and the extensive nature of countervailing duty exemptions, favour imports over domestic production.
- the GST would improve tax governance in two ways:
  - a) like the value added tax (VAT), it is a self-collecting and self-enforcing tax.
  - b) due to the dual monitoring structure of the GST – one by the state and another by the Centre – it is difficult to evade tax.

# REGISTRATION

- ✓ Registration is most crucial step for compliance of any law
- ✓ No Concept of Centralized Registration

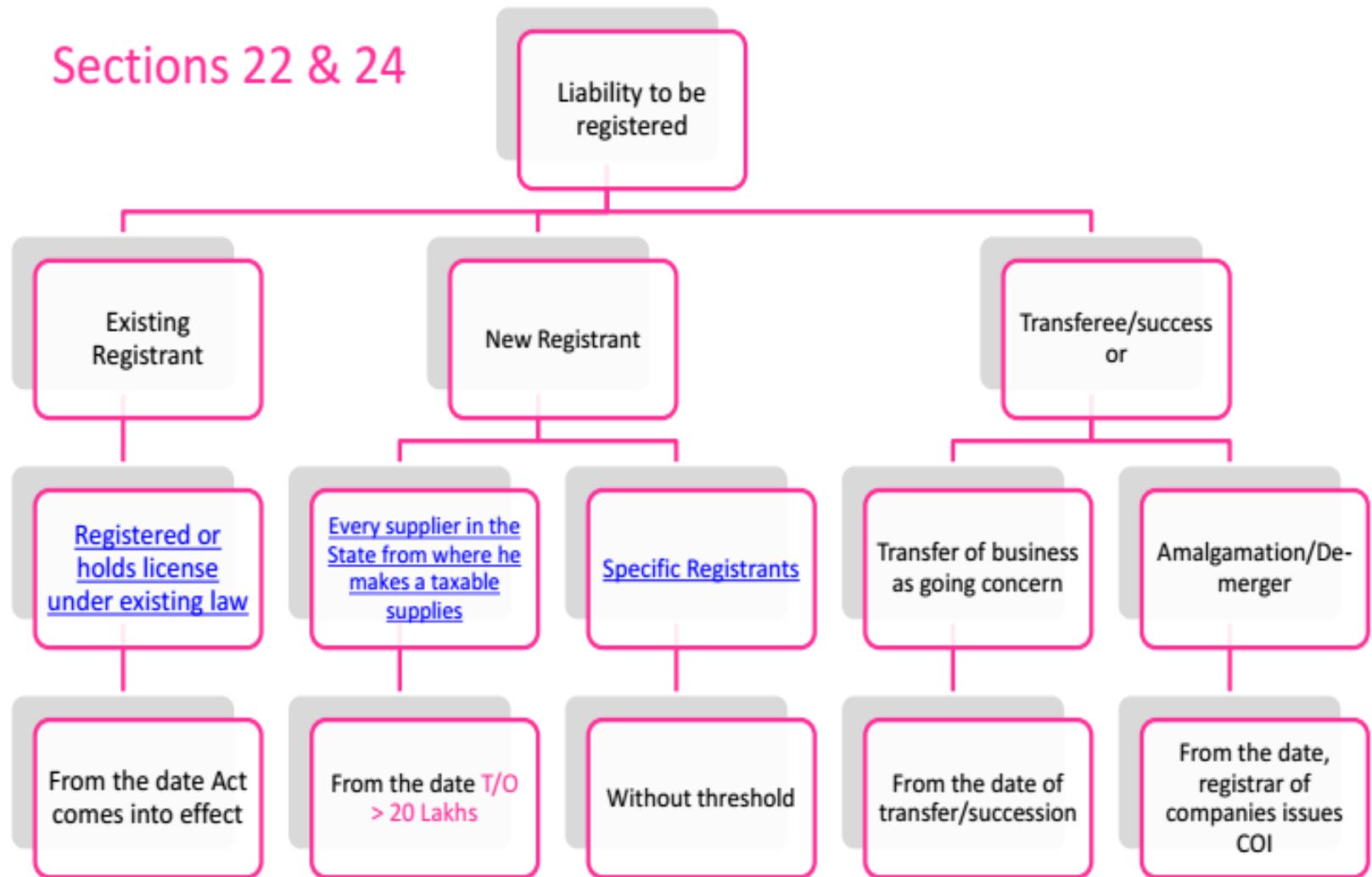
# REGISTRATION

A Company has 25  
Branches in 25 states  
whether it should take 1  
registration or 25 ?

# REGISTRATION – Sections 22 to 28

- **Mandatory Registration**
- **Optional Registration**
- **Voluntary Registration**
- **Suo Moto Registration**

## Sections 22 & 24



# *Registration Chapter VI*

## Liability to be Registered – Sec.22 (1)

- ▶ Every Supplier is liable to be registered, in a state from where he makes a taxable supply
- ▶ Aggregate turnover > 20 Lacs in a financial year
- ▶ Aggregate turnover > 10 Lacs in a financial year – states 279A(4)(g) of the constitution and special category states.

(Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, HP and Uttarakhand)



# *Registration Chapter VI*

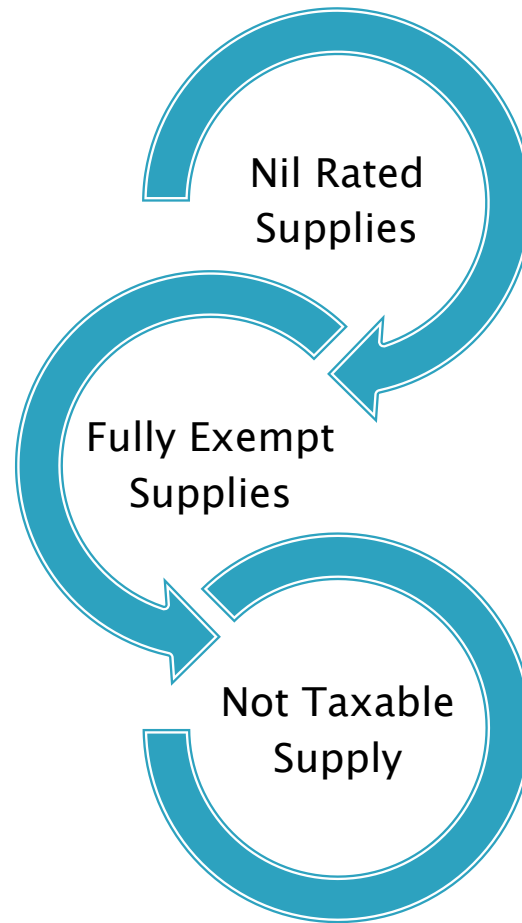
2(6) “aggregate turnover” means the aggregate value of :

all taxable supplies +  
exempt supplies +  
exports of goods and/or services +  
inter-State supplies of a person –

having the same PAN, to be computed on all India basis

excludes taxes and Cess, if any, charged under the GST and Inward Supplies on which Tax has been paid on RCM.

# Exempt Supplies



# Location of supplier of service means

Supply from registered place of business

- Location of such place of business

Supply from unregistered place of business, say, fixed establishment

- Location of fixed establishment

Supply from more than one establishment (business or fixed establishment)

- Location of the establishment most directly concerned with provision of supply

Other cases

- Location of usual place of residence of supplier

## Place of business include (Section 2 (85) )

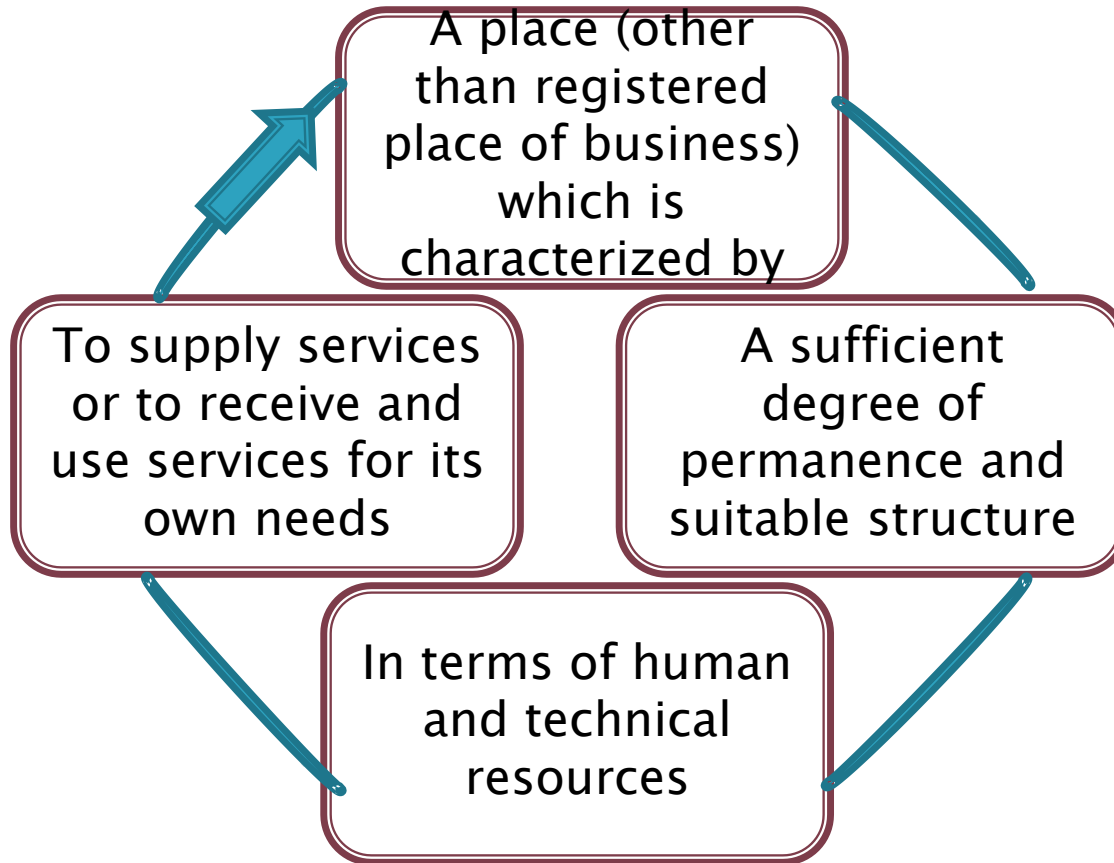
A place from where the business ordinarily carried on

A place where a taxable person maintain his books of accounts or

And include a warehouse, a godown or any other place where a taxable person store his goods, supplies or receives goods and/ or services or

A place where a taxable person is engaged in business through agent, by whatever name called

# Fixed establishment means {Section 2 (50) }



# Mandatory Registration

- ❖ Every Person who is liable to register as per Section 22 to Section 24
- ❖ Interstate taxable supply
- ❖ Casual taxable Person
- ❖ Paying tax under Reverse charge Mechanism
- ❖ Electronic Commerce Operator
- ❖ Non Resident Taxable persons
- ❖ Persons required to TDS/ TCS
- ❖ Agent

# Mandatory Registration

- ❖ Person Supplying online information and database access or retrieval services from place outside India to a person in India, other than a registered taxable person.
- ❖ Input Service Distributor
- ❖ Others – Notified by Government

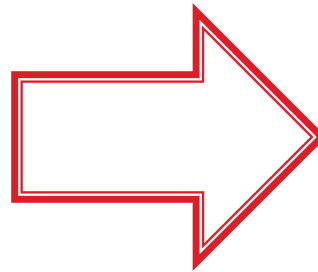
# Casual Taxable Person Section 2(20)

- ▶ Person who occasionally undertakes transaction involving supply of goods and services or both in course or furtherance of business, whether as principal, agent or in any other capacity in a state or a union territory where he has no fixed place of business.



# When to Register by Casual Taxable Person or Non Resident Taxable Person

Casual Taxable  
Person or Non  
Resident Taxable  
Person



Apply for  
Registration 5 days  
prior to  
commencement of  
Business

## Optional registration (Section 25(2))

If multiple business vertical in a state  
Optional separate registration

## Business vertical means

A distinguishable component of an enterprise



Engaged in the supply of individual goods or services or a group of related products or services



Which is subject to risks and returns that are different from those of other business verticals

# Business vertical means

Explanation : Factors that should be considered in determining weather goods or services are related include:

(a) The nature of goods or services

(b) The nature of the production processes

(c) the type or class of customer for the goods or services

(d) The methods used to distribute the goods or supply of services

The nature of the regulatory environment (whenever applicable), including banking, insurance, or public utilities

# Voluntary Registration u/s 25(3)

A person may opt to get himself registered voluntarily under GST even if he is not liable to be registered.

- All the provisions of GST applicable to a registered taxable person will similarly apply to such a voluntarily registered person also, i.e., he will be treated as a normal taxable person.

# Voluntary Registration u/s 25(3)

## Reasons for getting registered voluntarily:

- **Legally recognized as supplier of goods or services**– This helps in attracting more customers
- **Become more competitive**– They will be more competitive than other small business as buying from them will ensure input credit.
- **Take input credit**– Voluntarily registered persons can take input credit on their own purchases and input services like legal fees, consultation fees etc. To Ensure unbroken chain of input GST.

# Voluntary Registration u/s 25(3)

- **Be compliant and have a good rating**– Registration for GST will ensure that the business is compliant (because most returns are automated). This, in turn, will give a good GST rating and help to boost the business

# Suo Motto Registration:

Where during the course of any search, survey, inspection, enquiry or any other proceedings under the Act, the proper officer find that the person liable for registration has not registered himself. He would using the powers under section 23(6) of model GST law version II, register such person suo-moto and allot a temporary registration to such person.

Any person who has been registered suo-moto by the department can challenge the decision of the department within 30 days, if the person decides to challenge the action of the department then his liability to make an application within 30 days will start from the date of issuance of order upholding his liability of registration by appellate authority.

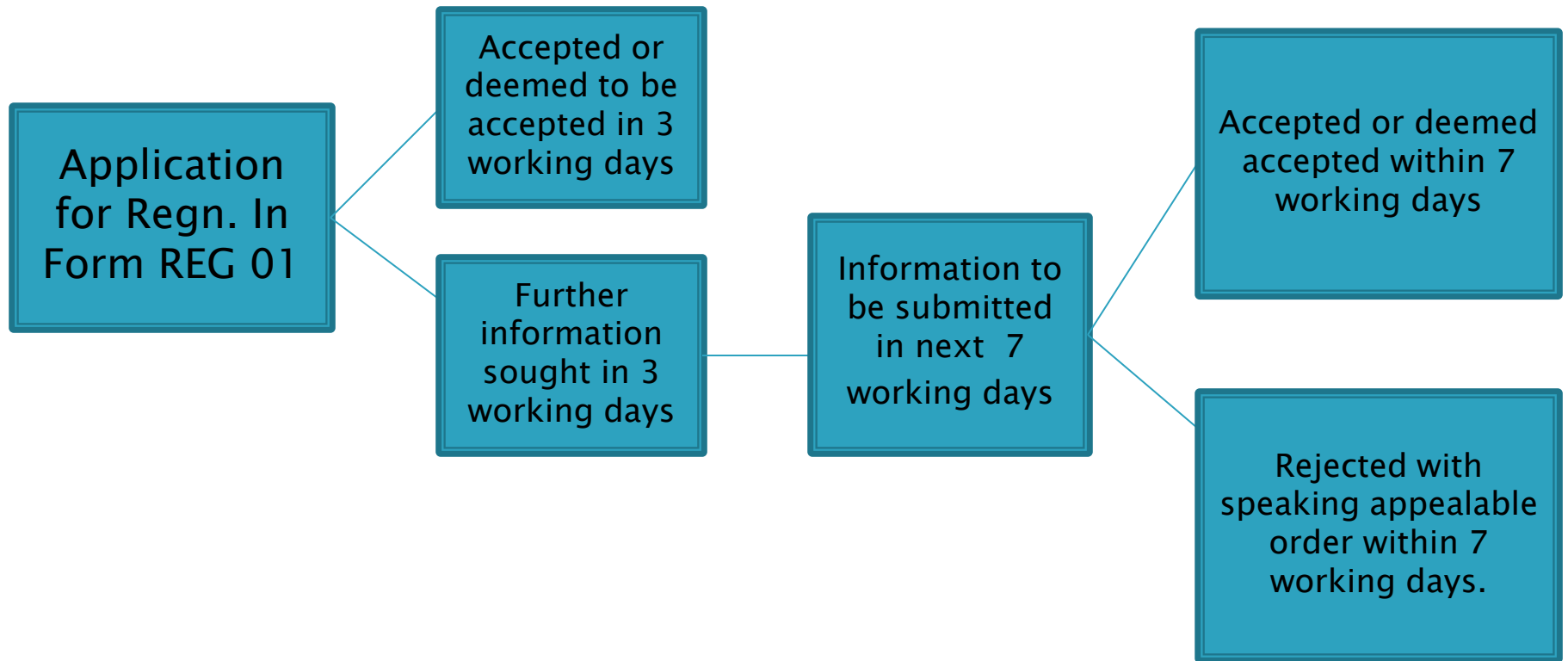


# Registration Requirements & Process

## Section 25(6) 25(7)

- ❖ PAN
- ❖ If Registration for TDS, TAN under Income tax
- ❖ NRI – If no PAN, Other Documents to be prescribed
- ❖ After Registration Application, two options by Department
  - ❖ Grant Registration Certificate
  - ❖ Reject Registration Certificate
- ❖ If no deficiency communicated within specific time limit, registration deemed to be granted

# Time Limit for Grant/Refusal of Registration



# Physical Verification of Business Premises

If Proper Officer is satisfied that

The physical verification of Place of Business is required post granting registration

He may verify and upload verification report with other documents including photographs

In GST REG 29 in 15 working days following date of such verification

## Section 23



Persons  
not  
liable  
to  
registrati  
on

- ▶ Any person engaged exclusively in the business of supplying
  - *Goods/services not liable to tax*
  - *Wholly exempted goods/ services*
- ▶ An agriculture to the extent of supply of produce out of cultivation of land
- ▶ Notified persons

# Consequences of default in taking Registration

## Liable to a penalty

- Higher of
- Rs 10,000/- or
- 100% of tax evaded or
- The tax not deducted or short deducted

ITC cannot be claimed for the period prior to registration  
( Effective date of registration)

Pay Liability with interest

# GSTIN ( Goods and Services Tax Identification Number)

## Format of GSTIN

22 AAAAAA0000A 1 Z 5



State Code



Permanent Account Number (PAN)



Entity number of  
the same PAN  
holder in a state

Alphabet  
'Z' by  
default

Check sum  
digit

# Display Registration



Display RC in prominent location place of business and every additional place of business



Display GSTIN in board at entry of such places

## Existing Registration – Migration

- Every person registered under existing laws and having valid PAN
- Provisional Registration Certificate
- Provide information in prescribed manner
- Issuance of final Registration Certificate
- Cancellation of provisional RC if information not provided



Service tax assesses having  
turnover of Rs 14 Lacs

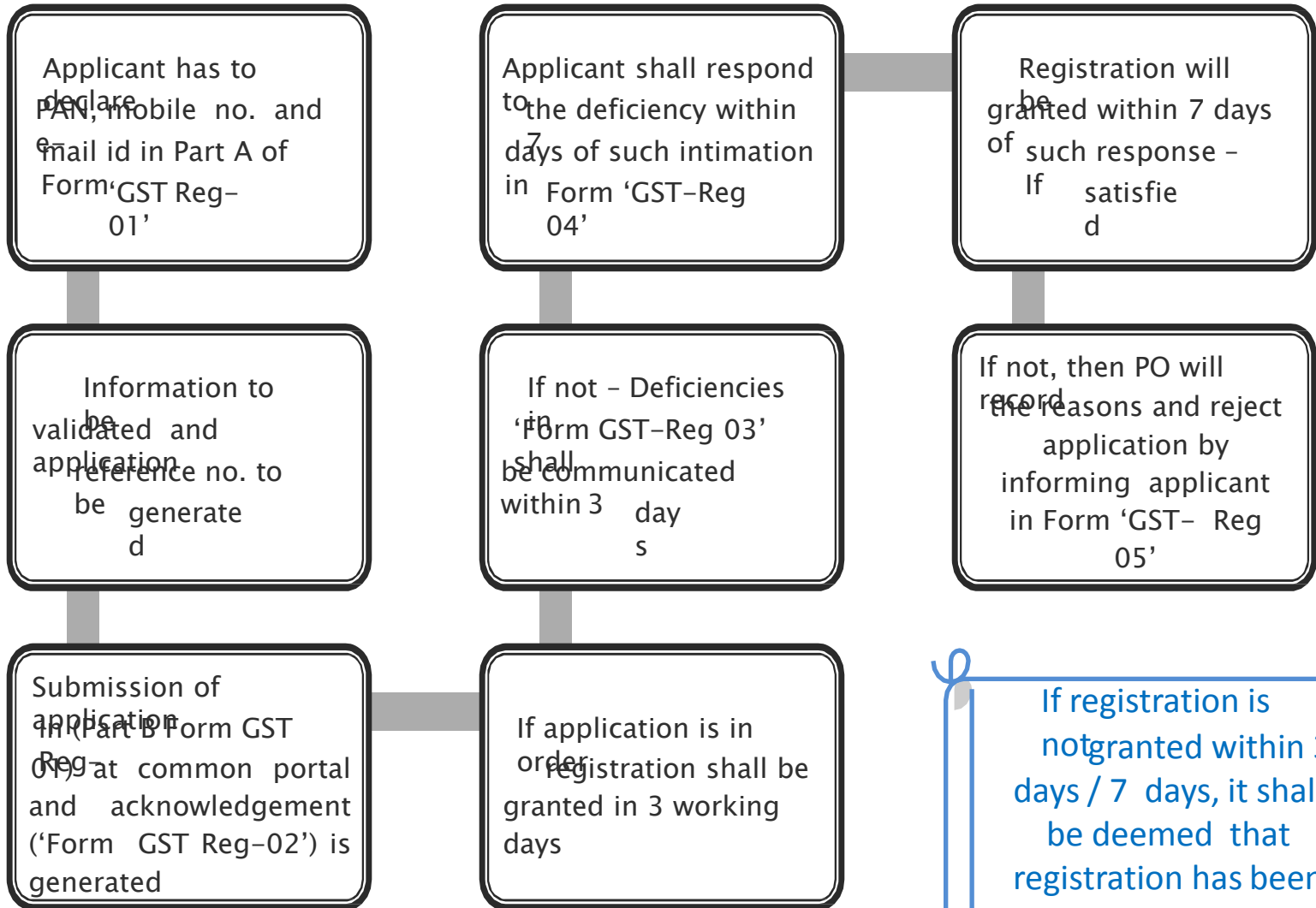


Migration  
Required?

## Cancellation of Registration :

- Business has been discontinued;
- Business has been transferred fully;
- Death of the proprietor;
- Amalgamation with other legal entity;
- Demerger / Disposal;
- Change in constitution of business;
- No longer required to be registered [excluding person opting for voluntary registration]

# Fresh Registration



If registration is not granted within 3 days / 7 days, it shall be deemed that registration has been granted

# LIST OF REGISTRATION FORMS

<b>Sr. No</b>	<b>Form Number</b>	<b>Description</b>
1.	GST REG-01	Application for Registration (Other than a non-resident taxable person, a person supplying online information and data base access or retrieval services from a place outside India to a non-taxable online recipient referred to in section 14 of the Integrated Goods and Services Tax Act, a person required to deduct tax at source under section 51 and a person required to collect tax at source under section 52))
2.	GST REG-02	Acknowledgement
3.	GST REG-03	Notice for Seeking Additional Information / Clarification / Documents relating to Application for <<Registration/Amendment/Cancellation >>
4.	GST REG-04	Clarification/additional information/document for <Registration/Amendment / Cancellation>
5.	GST REG-05	Order of Rejection of Application for <Registration / Amendment / Cancellation

# LIST OF REGISTRATION FORMS

6.	GST REG-06	Registration Certificate
7.	GST REG-07	Application for Registration as Tax Deductor at source (u/s 51) or Tax Collector at source (u/s 52)
8.	GST REG -08	Order of Cancellation of Registration as Tax Deductor at source or Tax Collector at source
9.	GST REG-09	Application for Registration of Non Resident Taxable Person
10	GST REG 10	Application for registration of person supplying online information and data base access or retrieval services from a place outside India to a person in India, other than a registered person
11.	GST REG-11	Application for extension of registration period by casual / non-resident

# LIST OF REGISTRATION FORMS

12.	GST REG-12	Order of Grant of Temporary Registration/ Suo Moto Registration
13.	GST REG-13	Application/Form for grant of Unique Identity Number (UIN) to UN Bodies/ Embassies /others
14.	GST REG-14	Application for Amendment in Registration Particulars (For all types of registered persons)
15.	GST REG-15	Order of Amendment
16.	GST REG-16	Application for Cancellation of Registration
17.	GST REG-17	Show Cause Notice for Cancellation of Registration
18.	GST REG-18	Reply to the Show Cause Notice issued for Cancellation

# LIST OF REGISTRATION FORMS

19.	GST REG-19	Order for Cancellation of Registration
20.	GST REG-20	Order for dropping the proceedings for cancellation of registration
21.	GST REG-21	Application for Revocation of Cancellation of Registration
22.	GST REG-22	Order for revocation of cancellation of registration
23.	GST REG-23	Show Cause Notice for rejection of application for revocation of cancellation of registration
24.	GST REG-24	Reply to the notice for rejection of application for revocation of cancellation of registration
25	GST REG-25	Certificate of Provisional Registration
26	GST REG-26	Application for Enrolment of Existing Taxpayer
27	GST REG-27	Show Cause Notice for cancellation of provisional registration
28	GST REG-28	Order of cancellation of provisional registration
29	GST REG-29	Application for cancellation of provisional registration
30	GST REG-30	Form for Field Visit Report



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# Relevance of Tax Invoice

Disallowance of credit to the recipient

Fraudulently non issuance/false/ incorrect invoice or issuance of invoice without supply- Penalty up to Rs. 10,000 or amount of tax whichever is higher

Bona fide non issuance/false/ incorrect invoice or issuance of invoice without supply- Penalty up to Rs. 10,000 or 10% amount of tax whichever is higher

Improper invoice- up to 25000

Confiscation of goods and/ or conveyance

Prosecution

# Time for Issue of Invoice – Goods

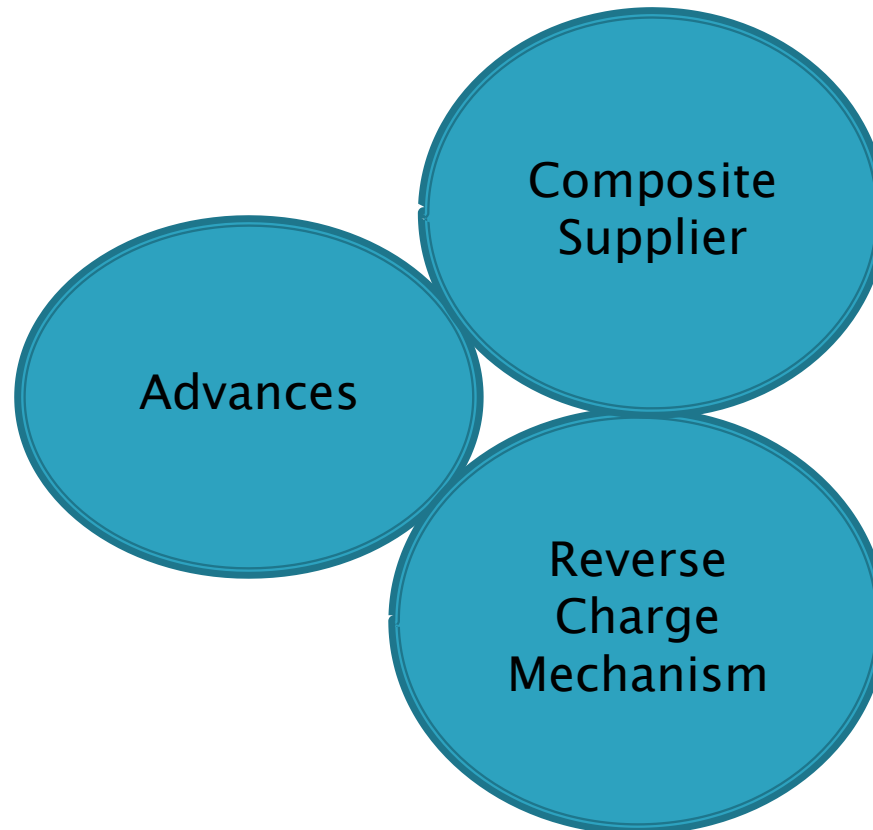
Supply of Taxable Goods	Time for Issue of Tax Invoice
Involves Movement of Goods	Before or at the Time of Removal of Goods
Does not involve movement of Goods	Before or at the Time of Delivery or making available the Goods to the recipient
Certain Supplies notified by Government on recommendation of Council	Time and Manner for Issue of Invoice as may be prescribed
Continuous supply of Goods– Successive Statement of accounts are involved	Before or At the time each statement is issued
Continuous supply of Goods– Successive payments are involved	Before or At the time each payment is received
Goods sent on approval	Before or At the time of supply or six months from the date of removal whichever is earlier

# Time for Issue of Invoice – Services

Supply of Taxable Services	Time for Issue of Tax Invoice
Supply of Taxable services	Before Supply of Service or Within 30 days of Supply of Service
In case of Banks/ Financial Institutions/ NBFC/ Insurance	Within 45 days of supply of service
Continuous supply of Services– Due date for payment is ascertainable from the contract	On or before the due date for payment
Continuous supply of Services– Due date for payment is not ascertainable from the contract	On or before the time supplier receives payment
Continuous supply of Services– Payment linked to completion of an event	On or before the date of completion of event

# Certain Situations

- ▶ Whether Tax invoice be issued ?



# Documents /Tax Invoice in other Situations :

Particulars	Document to be Issued
RP supplying Exempted goods/ Services	Bill of Supply
Composition Supplier	Bill of Supply
On receipt of Advance payment by RP	Receipt Voucher
Refund of Advance in case of no Supply	Refund Voucher
On receipt of Goods/ Services– RCM	Tax Invoice
If Tax Invoice Value > Taxable Value Goods return, Goods deficient	Credit Note
If Tax Invoice Value < Taxable Value Tax charged < Tax payable	Debit Note

# Tax Invoice in other Situations :

Revised Invoice to be issued from date of Effective registration to the date of grant of registration , within one month of grant of issuance of certificate of registration

Tax invoice not required to be issued – Value of Supply is less than Rs.200

# Cessation of supply of Service

- ▶ Supply of service ceases under a contract before completion of supply



- ▶ Invoice to be issued at the time of cessation of service



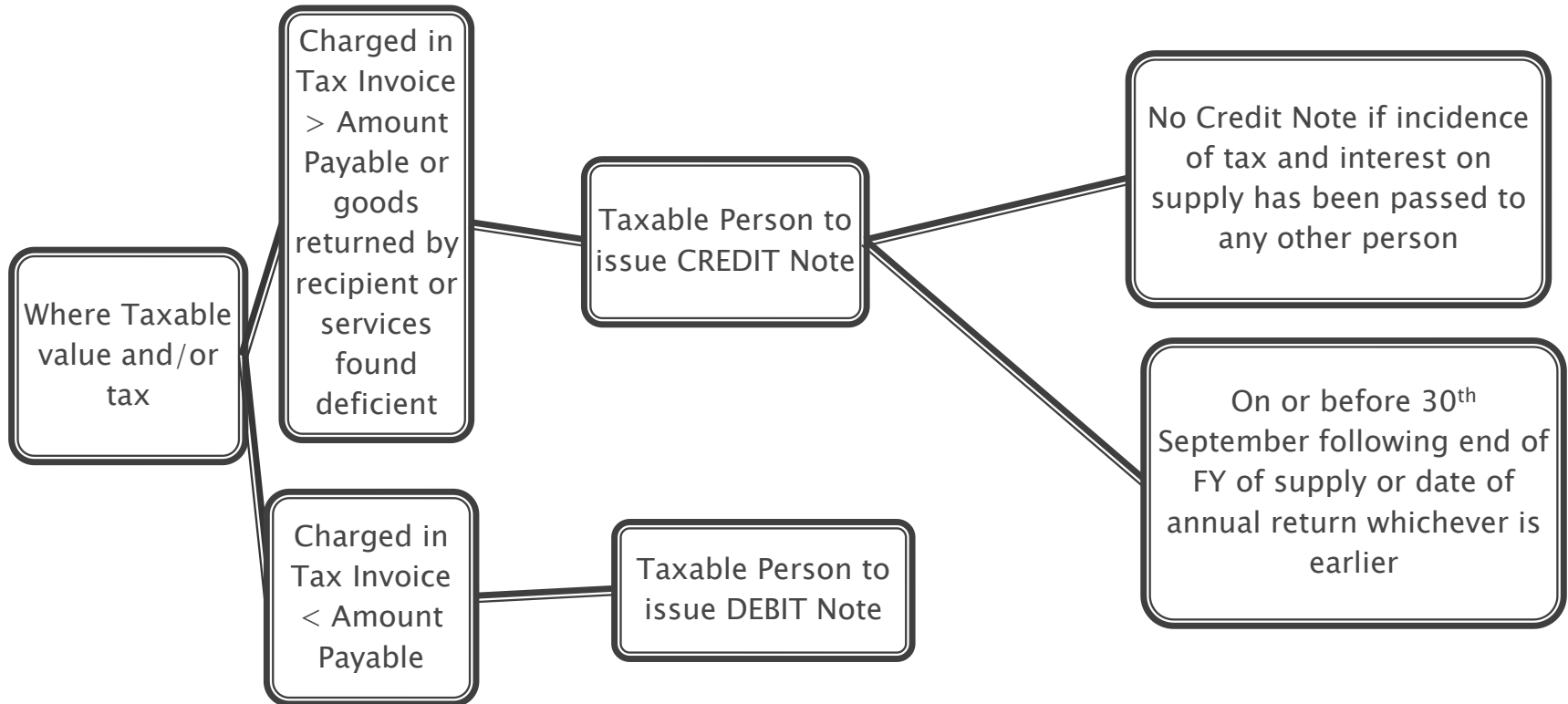
- ▶ To the extent of supply made before such cessation

# How to claim ITC in respect of advances on which GST is paid?

- ❑ Final invoice to be generated on receipt of completion consideration
- ❑ ITC to be claimed thereafter
- ❑ Maximum Time Limit to take credit from the date of invoice/debit note:
  - Due date of furnishing next FY`s September months return or
  - Furnishing of annual returnWhichever occurs earlier



# Invoice, Debit and Credit Notes



# Invoice, Debit and Credit Notes

## Tax Invoice

referred to in section 31 shall be issued by the registered person containing the following particulars:-

- (a) name, address and GSTIN of the supplier;
- (b) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters hyphen or dash and slash symbolised as “-” and “/” respectively, and any combination thereof, unique for a financial year;
- (c) date of its issue;
- (d) name, address and GSTIN or UIN, if registered, of the recipient;
- (e) name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered and where the value of taxable supply is fifty thousand rupees or more;
- (f) HSN code of goods or Accounting Code of services;
- (g) description of goods or services;
- (h) quantity in case of goods and unit or Unique Quantity Code thereof;
- (i) total value of supply of goods or services or both;

# Invoice, Debit and Credit Notes

## Tax Invoice

- (j) taxable value of supply of goods or services or both taking into account discount or abatement, if any;
- (k) rate of tax (central tax, State tax, integrated tax, Union territory tax or cess);
- (l) amount of tax charged in respect of taxable goods or services (central tax, State tax, integrated tax, Union territory tax or cess);
- (m) place of supply along with the name of State, in case of a supply in the course of inter-State trade or commerce;
- (n) address of delivery where the same is different from the place of supply;
- (o) whether the tax is payable on reverse charge basis; and
- (p) signature or digital signature of the supplier or his authorized representative:

## *TAX Invoice – Sec.31*

- ✓ URP not to collect Tax
  - ✓ RP not to collect except in accordance with provisions of this Act
  
  - ✓ Tax Invoice / Bill of Supply may not to be Issued
    - ▶ Value of Supply is less than Rs.200
    - ▶ Supply is to Unregistered recipient
    - ▶ The recipient does not require it
- He may issue consolidated Tax Invoice for such supplies at the close of each day with respect to all such supplies

# Tax Invoice

- Consecutive serial number in one or multiple series unique for a FY
- Name, address and GSTIN if B2B
- Name , address of recipient and address of delivery with Name and state Code of B2C and value  $\geq 50,000$
- Address of delivery if different from place of supply ( bill to ship to scenario)
- HSN Code or Accounting code of services
- Value and taxable value
- Inter state supply – place of supply with name of state
- Tax payable under RCM ?
- Signature / Digital Signature

# Manner of issuing invoice

(1) The invoice shall be prepared in triplicate, in case of supply of goods, in the following manner:-

- (a) the original copy being marked as ORIGINAL FOR RECIPIENT;
- (b) the duplicate copy being marked as DUPLICATE FOR TRANSPORTER; and
- (c) the triplicate copy being marked as TRIPLICATE FOR SUPPLIER.

(2) The invoice shall be prepared in duplicate, in case of supply of services, in the following manner:-

- (a) the original copy being marked as ORIGINAL FOR RECIPIENT; and
- (b) the duplicate copy being marked as DUPLICATE FOR SUPPLIER.

(3) The serial number of invoices issued during a tax period shall be furnished electronically through the Common Portal in FORM GSTR-1.

# Supplementary Invoice/ Credit / Debit Notes

Following Details:

- ✓ Name, Address and GSTIN of Dealer
- ✓ Nature of the document
- ✓ Invoice number containing alphabets and/or numbers
- ✓ Date of the Invoice
- ✓ Name, address and GSTIN number of the dealer (no GSTIN in case of supply to end customer)
- ✓ Serial number and date of the corresponding tax invoice
- ✓ Taxable value of goods or services, rate of tax and the amount of the tax credited or, as the case may be, debited to the dealer
- ✓ Signature or Digital signature of Dealer or his authorized representative

# Tax Invoice– Passenger transportation

Tax Invoice shall include ticket in any form

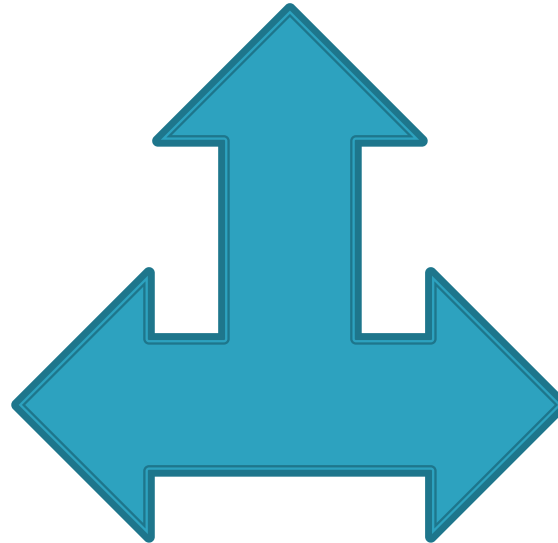
Address of the recipient not mandatory



# Tax Invoice – Banking Company

Any document in lieu of Tax invoice

No serial number  
mandatory



Address of the  
recipient  
not mandatory

# Exports

## ➤ Endorsement on invoice

- Supply meant for export on payment of “IGST”  
OR
- Supply meant for export under bond or letter of undertaking without payment of IGST

## ➤ Content

- Name and address of recipient
- Address of delivery
- Name and country of destination
- No. and date of application for removal of goods for export

# Tax Invoice – GTA

Any Document

Gross weight of consignment

Name of consigner/consignee

Registration number of the goods carriage

Details of goods transported

Place of origin and destination

GSTIN of person liable to pay tax

# Types of Invoices in GST

Types	Who can issue	When to issue
Tax Invoice	Registered taxable person	In case of supply of goods and/or services.(Section 28)
Bill of Supply	Registered taxable person	In case where– a)Person paying amount under section 9 of model GST law version II, and b)Supplying non-taxable goods and/or services
Consolidated bill of Supply	Registered taxable person	At the end of each day in respect of all such supplies having value less than INR 100

# Types of Invoices in GST

Types	Who can issue	When to issue
Credit Note	Registered taxable person who has already issued tax invoice	a)Where goods supplied are returned by recipient or b)Taxable value/Tax charged is excess then required.
Debit note including supplementary invoice	Registered taxable person who has already issued tax invoice	Taxable value/ Tax charged in short
Revised invoice	Registered taxable person who has already issued tax invoice	Invoices issued in replacement of invoices issued during the period before grant of Registration Certificate.



eWaybill

# E Way Bills

- ▶ **When should an e-way bill be generated?**

E-way bill will be generated when there is movement of goods –

- ▶ In relation to a ‘supply’
- ▶ For reasons other than a ‘supply’ ( say a return)
- ▶ Due to inward ‘supply’ from an unregistered person

# E Way Bills

- ▶ What is a 'supply' in case of e-way bill?

A supply may be –

- ▶ Supplied for a consideration (means payment) in the course of business
- ▶ Supplies made for a consideration (payment) which may not be in the course of business
- ▶ Supplies without consideration ( without payment)



# Persons Required

- ▶ **Who can generate E-way bill?**
- ▶ E-way bill must be generated when there is a movement of goods of more than Rs 50,000 in value to or from a **Registered Person**. Registered person or the transporter may choose to generate and carry e-way bill even if value of goods is less than Rs 50,000.
- ▶ **Unregistered persons** or his **transporter** may also choose to generate e-way bill. Which means E-Way bill can be generated by both registered and unregistered persons. However, where a supply is made by an unregistered person to a registered person, the receiver will have to do all the compliances as if he's the supplier.

<b>Who</b>	<b>When</b>	<b>Part</b>	<b>Form</b>
Every Registered person under GST	Before movement of goods	Fill Part A	Form GST INS-1
Registered person is consignor or consignee (mode of transport may be owned or hired) OR is recipient of goods	Before movement of goods	Fill Part B	Form GST INS-1
Registered person is consignor or consignee and goods are handed over to transporter of goods	Before movement of goods	Fill Part A & Part B	Form GST INS-1
Transporter of goods	Before movement of goods	Fill form GST INS-1 if consignor does not.	
Unregistered person under GST and recipient is registered.	Compliance to be done by Recipient as if he is the Supplier.		

- E way bill will be a document generated from GSTN portal, which will carry **UNIQUE IDENTIFICATION NUMBER** know as E-way Bill number (EBN), which will have all the details of the transaction and will create appropriate trail so that the transaction can be traced from its inception to the end. The finance ministry has issued draft Electronic way rules.
- **APPLICABILITY:** Registered Taxable person who causes movement of goods having consignment **VALUE EXCEEDING FIFTY THOUSAND RUPEES.**

# WHO WILL GENERATE THE E WAY BILL

PERSON	SITUATION
Registered person	As a consignor or the recipient of supply as the consignee.
Transporter	When goods are handed over to a transporter by registered /unregistered person.
Unregistered person	The movement is caused by an unregistered person either in his own conveyance or a hired one or through a transporter.

## MULTIPLE CONVEYANCE FOR SINGLE CONSIGNMENT :

Generate a new e-way bill before such transfer and further movement of goods from one Conveyance to other.

## MULTIPLE CONSIGNMENTS IN A CONVEYANCE :

Transporter shall indicate the serial number of e-way bills generated in respect of each such consignment electronically on the common portal and a consolidated e-way bill in FORM GST INS-02 shall be generated prior to moment of Goods.

✓ *Information furnished in Part A of FORM GST INS-01 may be utilized for furnishing details in FORM GSTR-1.*

- **Proper officer** intercept any conveyance to verify the **e-way bill or the e- way bill number**.
- Commissioner shall get **Radio Frequency Identification Device (RFID) readers** installed at places where
- verification of movement of goods is required.
- Physical verification of conveyances shall be carried out by the proper officer as authorized by the Commissioner.
- An e-way bill can be cancelled only within 24 hours of its issuance.
- Detention more than 30 minutes has to be reported.
- **Validity of e-way bill** (from time of issuance)
  - Up to 100 km : **One day**
  - 100 km - 300km : **Three days**
  - 300 km - 500km : **Five days**
  - 500 km - 1000km : **Ten days**
  - 1000 km or more : **Fifteen days**

# Payments

The type of payments depends upon the type of commercial transaction and place of supply for the particular transaction. The Types of payments are as follows :

- 1) Intra State Transactions :
  - a) Central GST (**CGST**) – going to the account of Central Government
  - b) State GST (**SGST**) – going to the account of Concerned State Government
- 2) Inter State Transactions :
  - a) Integrated GST (**IGST**) – which will have component of both CGST & SGST

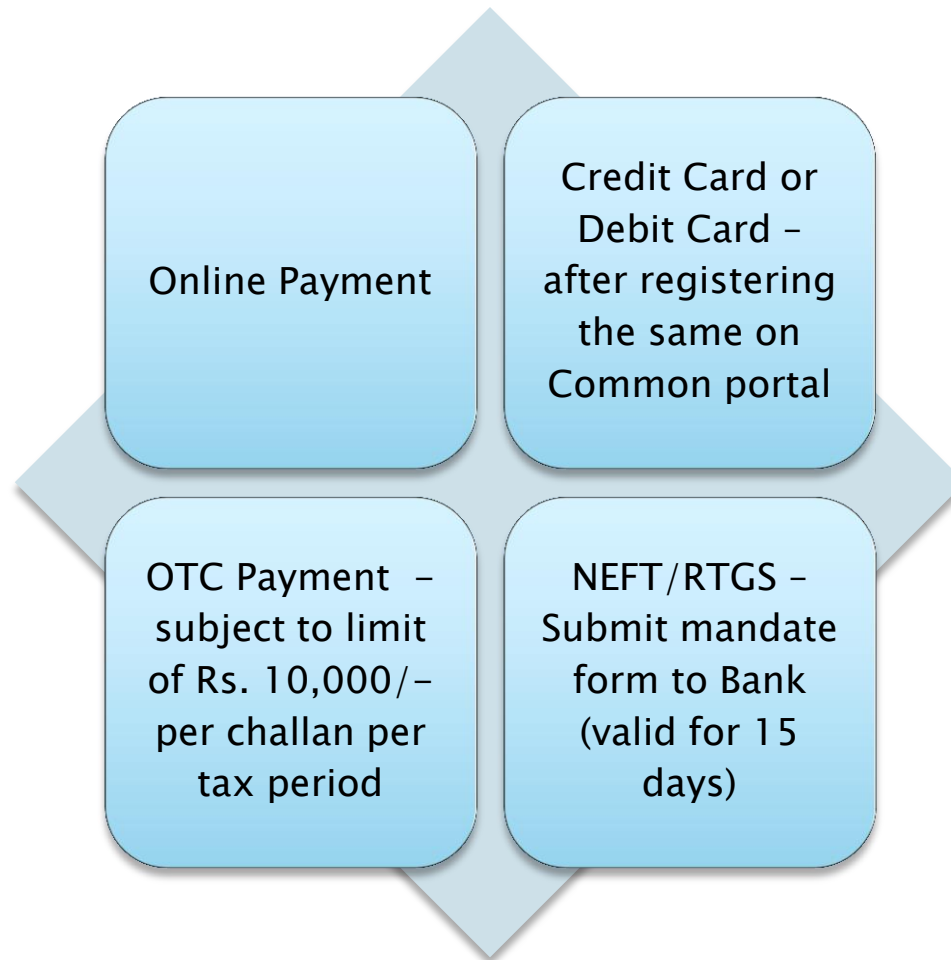
# Persons liable to make Payments

The registered taxable person who is generally the supplier of Goods and/or Services is liable to make payment of GST, but in certain special conditions, the obligation to make payment may be shifted to other persons, which could be one of the following :

- a) **Reverse Charge Payment** : Obligation of recipient of Goods and/or services to make the payment.
- b) **Tax Deducted at Source** : Obligation of recipient of goods and/or services to deduct tax from the payment or to be made to supplier.
- c) **Tax Collected at Source** : Obligation has been cast on E-Commerce Operator collecting the consideration on account of supplies of Goods and/or services supplied through it.



# Methods of Payments



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# Payments – Electronic Ledgers

## Types of Electronic Ledgers maintained by GSTN

Following three types of Ledger will be maintained on common portal in GSTN :

- a) Electronic tax liability register
- b) Electronic credit ledger
- c) Electronic cash ledger

All these ledgers will be maintained for each registered taxable person and shall be updated on real time basis on any activity in connection with these ledgers. Details of these ledgers will get auto populated from previous tax period returns.

# Payments – Electronic Ledgers

## Electronic Cash Ledger (ECL)

Shall maintained for each registered taxable person in form GST PMT-05 on the common portal.

All deposits made by the registered taxable person shall be credited to GST PMT-05.

All amounts deposited will be available to be used for making payment of

- Tax
- Interest
- Penalty
- Fee or any other amount

Which shall be debited to GST PMT-05.

UIN shall be generated  
at the common portal  
for each debit or credit  
to ECL

Date of Credit to account  
of Govt. in authorised  
bank deemed to be date  
of deposit in ECL

# Payments – Electronic Ledgers

## Electronic Credit Register Ledger (ECRL)

Shall maintained for each registered taxable person in form GST PMT-02 on the common portal.

Every claim of Input Tax Credit (ITC) shall be credited to GST PMT-02.

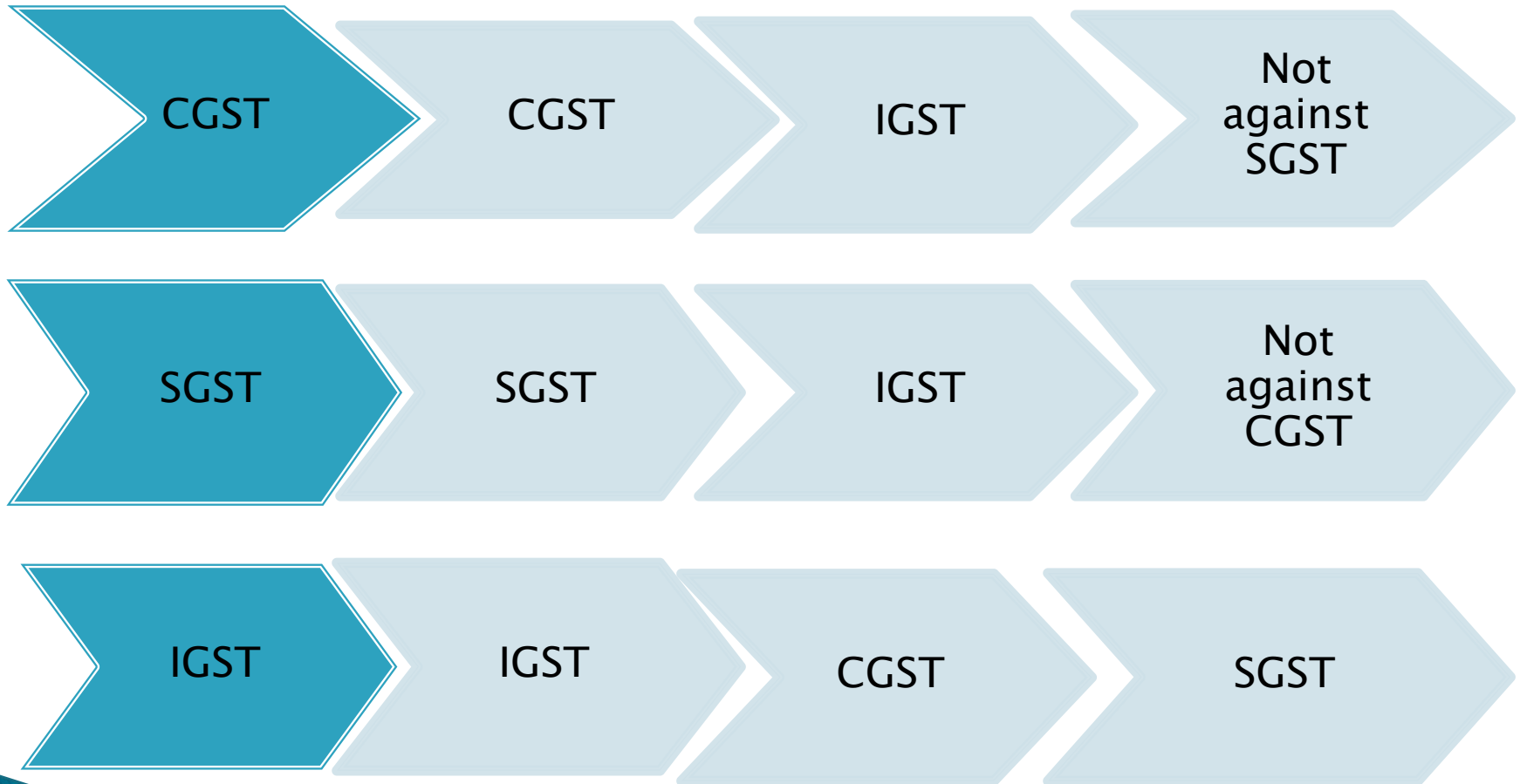
All discharge of tax liability will be debited to ECRL.

Claim for Refund of unutilised ITC (on account of exports or credit has been accumulated on account of rate of tax on inputs is higher than that on outputs) shall be debited to ECRL.

If refund so claimed is rejected then such amount will be re credited to ECLR by an order in Form GST PMT-3.

UIN shall be generated  
at the common portal  
for each debit or credit  
to ECRL

# Manner of Utilisation of Credit in ECRL



# Payments Electronic Ledgers

## Electronic Tax Liability Ledger (ETLR)

Shall maintained for each registered taxable person in form GST PMT-01 on the common portal.

All amounts payable by the registered taxable person shall be debited to ETLR.

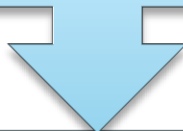
ETLR can be debited for following amounts payable towards

- Tax, Interest, Late Fee or any other amount payable as per the Returns filed.
- Tax, Interest, Penalty or any other amount payable as determined by Proper Officer in pursuance of any proceedings.
- Tax and Interest payable as result of mismatch.
- Interest that may be payable time to time.

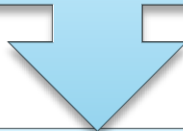
For payments of every liability ETLR shall be credited.

# Payments – Order of Utilisation

Self-assessed tax and other dues related to returns of Previous tax period

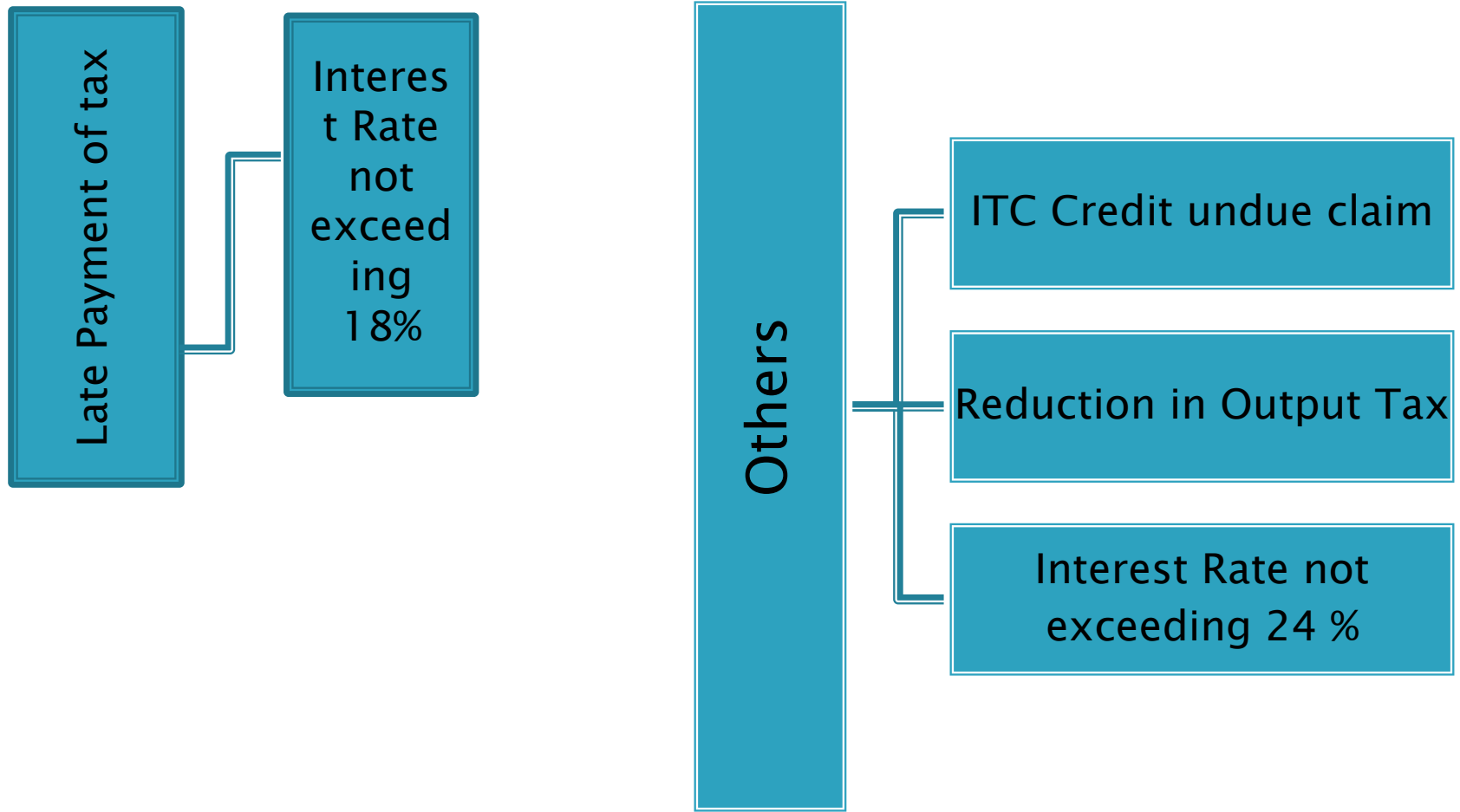


Self-assessed tax and other dues related to returns of Current tax period



Any other amount payable under the Act or the Rules made thereunder including the demand determined under section 66 or 67

# Interest Liability Under Section 50





# Identification number for each transaction

1) A unique identification number shall be generated at the Common Portal for each debit or credit to the electronic cash or credit ledger, as the case may be.

(2) The unique identification number relating to discharge of any liability shall be indicated in the corresponding entry in the electronic liability register.

(3) A unique identification number shall be generated at the Common Portal for each credit in the electronic liability register for reasons other than those covered under sub-rule(2).

# Payments FAQs

## Q 4. What are the main features of GST payment process?

Ans. The payment processes under GST Act(s) have the following features:

- Electronically generated challan from GSTN Common Portal in all modes of payment and no use of manually prepared challan;
- Facilitation for the tax payer by providing hassle free, anytime, anywhere mode of payment of tax;
- Convenience of making payment online;
- Logical tax collection data in electronic format;
- Faster remittance of tax revenue to the Government Account;
- Paperless transactions;
- Speedy Accounting and reporting;
- Electronic reconciliation of all receipts;
- Simplified procedure for banks
- Warehousing of Digital Challan.

# Payments FAQs

**Q 8. What happens if the taxable person files the return but does not make payment of tax?**

**Ans.** In such cases, the return is not considered as a valid return. Section 2(117) defines a valid return to mean a return furnished under sub-section (1) of section 39 on which self-assessed tax has been paid in full. It is only the valid return that would be used for allowing input tax credit (ITC) to the recipient. In other words, unless the supplier has paid the entire self-assessed tax and filed his return and the recipient has filed his return, the ITC of the recipient would not be confirmed.

# Payments – Due Dates

Format	Return Type	Return filing due date	Tax Payment due date
GSTR 1	Outward Supply	10 <sup>th</sup> of next month	No Tax Payment
GSTR 2	Inward Supply	15 <sup>th</sup> of next month	No Tax Payment
GSTR 3	Monthly Return	20 <sup>th</sup> of next month	On or before filing the Return
GSTR 4	Compounding dealers	18 <sup>th</sup> of next month(Quarterly)	On or before filing the Return
GSTR 5	Non-Resident Dealers	20 <sup>th</sup> of next month or <7 days from expiry of Registration Whichever is Earlier	On or before filing the Return
GSTR 6	ISD	13 <sup>th</sup> of next month	No Tax Payment
GSTR 7	TDS	10 <sup>th</sup> of next month	On or before filing the Return

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# Payments – Prescribed Forms

Form No.	Content
GST PMT-01	Electronic Tax Liability Register of Taxpayer (Part -I: Return related liabilities)
	Electronic Tax Liability Register of Taxpayer (Part-II: Other than Return related liabilities)
GST PMT-02	Electronic Credit Register
GST PMT-03	Order of Re-credit of the amount to cash or credit ledger
GST PMT-04	Application for intimation of discrepancy in Electronic Credit Ledger/Cash Ledger/Liability Register
GST PMT-05	Electronic Cash Ledger
GST PMT-06	Challan for Deposit of GST
GST PMT-07	Application for intimating discrepancy in making payment

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# Refunds

## Q 1. What is refund?

Ans. Refund has been discussed in section 54 of the CGST/SGST Act.

“Refund” includes

- (a) any balance amount in the electronic cash ledger so claimed in the returns,
- (b) any unutilized input tax credit in respect of (i) zero rated supplies made without payment of tax or, (ii) where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies),
- (c) tax paid by specialized agency of United Nations or any Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries on any inward supply .

# Refunds

**Q 2. Can unutilized Input tax credit be allowed as refund?**

**Ans.** Unutilized input tax credit can be allowed as refund in accordance with the provisions of sub-section (3) of section 54 in the following situations: –

- (i) Zero rated supplies made without payment of tax;
- (ii) Where credit has accumulated on account of rate of tax on inputs being higher than the rate of taxes on output supplies (other than nil rated or fully exempt supplies)

However, no refund of unutilized input tax credit shall be allowed in cases where the goods exported out of India are subjected to export duty, and also in the case where the supplier of goods or services or both avails of drawback in respect of central tax or claims refund of the integrated tax paid on such supplies.

# Refunds

**Q 4. Will unutilized ITC at the end of the financial year (after introduction of GST) be refunded?**

**Ans.** There is no such provision to allow refund of such unutilized ITC at the end of the financial year in the GST Law. It shall be carried forward to the next financial year.

**Q 5. Suppose a taxable person has paid IGST/ CGST/SGST mistakenly as an Interstate/intrastate supply, but the nature of which is subsequently clarified. Can the CGST/SGST be adjusted against wrongly paid IGST or vice versa?**

**Ans.** The taxable person cannot adjust CGST/SGST or IGST with the wrongly paid IGST or CGST/SGST but he is entitled to refund of the tax so paid wrongly – Sec.77 of the CGST/SGST Act.



# Refunds

**Q 6. Whether purchases made by Embassies or UN are taxed or exempted?**

**Ans.** Supplies to the Embassies or UN bodies will be taxed, which later on can be claimed as refund by them in terms of Section 54(2) of the CGST/SGST Act. The claim has to be filed in the manner prescribed under CGST / SGST Refund rules, before expiry of six months from the last day of the month in which such supply was received.

[The United Nations Organization and Consulates or Embassies are required to take a Unique Identity Number [section 26(1) of the CGST/SGST Act] and purchases made by them will be reflected against their Unique Identity Number in the return of outward supplies of the supplier(s)]

# Refunds

## Q 7. What is the time limit for taking refund?

Ans. A person claiming refund is required to file an application before the expiry of two years from the “relevant date” as given in the Explanation to section 54 of the CGST/SGST Act.

## Q 8. Whether principle of unjust enrichment will be applicable in refund?

Ans. The principle of unjust enrichment would be applicable in all cases of refund except in the following cases: –

- i. Refund of tax paid on zero-rated supplies of goods or services or both or on inputs or input services used in making such zero-rated supplies
- ii. Unutilized input tax credit in respect of (i) zero rated supplies made without payment of tax or, (ii) where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies
- iii. refund of tax paid on a supply which is not provided, either wholly or partially, and for which invoice has not been issued;
- iv. refund of tax in pursuance of Section 77 of CGST/SGST Act i.e. tax wrongfully collected and paid to Central Government or State Government
- v. if the incidence of tax or interest paid has not been passed on to any other person;
- vi. such other class of persons who has borne the incidence of tax as the Government may notify.

# Refunds

## Q 11. Can refund be withheld by the department?

Ans. Yes, refund can be withheld in the following circumstances:

- i. If the person has failed to furnish any return till he files such return;
- ii. If the registered taxable person is required to pay any tax, interest or penalty which has not been stayed by the appellate authority/Tribunal/ court, till he pays such tax interest or penalty;

The proper officer can also deduct unpaid taxes, interest, penalty, late fee, if any, from the refundable amount – Section 54(10) (d) of the CGST/SGST Act

- iii. The Commissioner can withhold any refund, if, the order of refund is under appeal and he is of the opinion that grant of such refund will adversely affect revenue in the said appeal on account of malfeasance or fraud committed – Sec.54 (11) of the CGST/SGST Act.

# Refunds

**Q 13. Is there any minimum threshold for refund?**

Ans. No refund shall be granted if the amount is less than Rs.1000/-.  
[Sec.54 (14) of the CGST/SGST Act]

**Q 14. How will the refunds arising out of existing law be paid?**

Ans. The refund arising out of existing law will be paid as per the provisions of the existing law and will be made in cash and will not be available as ITC.

**Q 15. Whether refund can be made before verification of documents?**

Ans. In case of any claim of refund to a registered person on account of zero rated supplies of goods or services or both (other than registered persons as may be notified), 90% refund may be granted on provisional basis before verification subject to such conditions and restrictions as may be prescribed in accordance with sub-section 6 of section 54 of the CGST/SGST Act.

# Refunds

**Q 18. How will the applicant prove that the principle of unjust enrichment does not apply in his case?**

**Ans.** Where the claim of refund is less than Rs.2 Lakh, a self-declaration by the applicant based on the documentary or other evidences available with him, certifying that the incidence of tax has not been passed on to any other person would make him eligible to get refund. However, if the claim of refund is more than Rs.2 Lakh, the applicant is required to submit a certificate from a Chartered Accountant or a Cost Accountant to the effect that the incidence of tax has not been passed on to any other person.

**Q 19. Today under VAT/CST merchant exporters can purchase goods without payment of tax on furnishing of a declaration form. Will this system be there in GST?**

**Ans.** There is no such provision in the GST law. They will have to procure goods payment of tax and claim refund of the tax paid or the unutilized input tax credit in accordance with section 54(1)/54(3) of the CGST/SGST Act.

**Q 21. What is the time period within which an acknowledgement of a refund claim has to be given?**

**Ans.** Where an application relates to a claim for refund from the electronic cash ledger as per sub-section (6) of section 49 of the CGST/SGST Act made through the return furnished for the relevant tax period the acknowledgement will be communicated as soon as the return is furnished and in all other cases of claim of refund the acknowledgement will be communicated to the applicant within 15 days from the date of receipt of application complete in all respect.

# Refunds

**Q 23. Is there any specified format for filing refund claim?**

**Ans.** Every claim of refund has to be filed in Form GST RFD – 01. However, claim of refund of balance in electronic cash ledger can be claimed through furnishing of monthly/quarterly returns in Form GSTR 3, GSTR 4 or GSTR 7, as the case may be, of the relevant period.

**Q 24. Is there any specified format for sanction of refund claim?**

**Ans.** The claim of refund will be sanctioned by the proper officer in Form GST RFD-06 if the claim is found to be in order and payment advice will be issued in Form GST RFD-05. The refund amount will then be electronically credited to the applicants given bank account.

**Q 25. What happens if there are deficiencies in the refund claim?**

**Ans.** Deficiencies, if any, in the refund claim has to be pointed out within 15 days. A form GST RFD-03 will be issued by the proper officer to the applicant pointing out the deficiencies through the common portal electronically requiring him to file a refund application after rectification of such deficiencies.

**Q 26. Can the refund claim be rejected without assigning any reasons?**

**Ans.** No. When the proper officer is satisfied that the claim is not admissible he shall issue a notice in Form GST RFD-08 to the applicant requiring him to furnish a reply in GST RFD -09 within fifteen days and after consideration of the applicant's reply, he can accept or reject the refund claim and pass an order in Form GST RFD-06 only.

# Refunds

## **Q 10. Is there any time limit for sanctioning of refund?**

**Ans.** Yes, refund has to be sanctioned within 60 days from the date of receipt of application complete in all respects. If refund is not sanctioned within the said period of 60 days, interest at the rate notified will have to be paid in accordance with section 56 of the CGST/SGST Act.

However, in case where provisional refund to the extent of 90% of the amount claimed is refundable in respect of zero-rated supplies made by certain categories of registered persons in terms of sub-section (6) of section 54 of the CGST/SGST Act, the provisional refund has to be given within 7 days from the date of acknowledgement of the claim of refund.

## **Q 9. In case the tax has been passed on to the consumer, whether refund will be sanctioned?**

**Ans.** Yes, the amount so refunded shall be credited to the Consumer Welfare Fund – Section 57 of the CGST/SGST Act

# Refunds – Prescribed Forms

Form No.	Content
GST RFD-01	Application for Refund
GST RFD-02	Acknowledgement
GST RFD-03	Deficiency Memo
GST RFD-04	Provisional Refund Order
GST RFD-05	Payment Advice
GST RFD-06	Refund Sanction/ Rejection Order
GST RFD-06	Interest on delayed refund order (same as refund order)
GST RFD-07	Order for complete adjustment of sanctioned Refund
GST RFD-08	Notice for rejection of application for refund
GST RFD-09	Reply to show cause notice
GST RFD-10	Application for Refund by any specialize agency of UN or Multilateral Financial Institution and Organization, Consulate or Embassy of foreign countries, etc.



# GST

What We Thought



What We Received



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**Thank  
You**

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